

PUBLIC NOTICE



FEDERAL COMMUNICATIONS COMMISSION

445 12th STREET, S.W.

WASHINGTON, D.C. 20554

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News media information 202/418-0500 Fax-On-Demand 202/418-2830 Internet: <http://www.fcc.gov> <ftp.fcc.gov>

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COMMON CARRIER BUREAU RELEASES ESTIMATED STATE-BY-STATE UNIVERSAL SERVICE HIGH-COST SUPPORT AMOUNTS FOR NON-RURAL CARRIERS

CC Docket No. 96-45

Today the Commission released an order clarifying the method by which certain line count data will be used in the new high-cost universal service support mechanism for non-rural carriers.¹

Specifically, the Commission clarified how the quarterly line count data filed by non-rural carriers pursuant to the Commission's rules will be incorporated in the new high-cost mechanism for purposes of calculating and targeting support amounts.² In addition, the Commission clarified that, until it adopts new line count input values for use in the Commission's forward-looking cost model, forward-looking costs for universal service purposes shall continue to be estimated using the line count input values adopted by the Commission in October 1999.³

The spreadsheet attached to this Public Notice shows the estimated state-by-state support amounts based on the quarterly line count data filed by non-rural carriers and the clarification adopted in the *Twentieth Reconsideration Order*.⁴ These support estimates supercede the state-

¹ *Federal-State Joint Board on Universal Service*, Twentieth Order on Reconsideration, CC Docket No. 96-45, FCC 00-126 (April 7, 2000) (*Twentieth Reconsideration Order*).

² See 47 C.F.R. §§ 36.611, 36.612, 54.307; see also *Federal-State Joint Board on Universal Service*, Ninth Report and Order and Eighteenth Order on Reconsideration, FCC 99-306 (rel. Nov. 2, 1999) (*Ninth Report and Order*). In the *Ninth Report and Order*, the Commission described the methodology that is used to compute non-rural carriers' high-cost support amounts, beginning January 1, 2000, based on their forward-looking costs and an interim hold-harmless provision. The Commission also required non-carriers to file line count data at the wire center, rather than the study area, level. See *Ninth Report and Order* at paras. 87, 92. Non-rural carriers filed wire center line count data for the first time on December 30, 1999. The Commission deferred the provision of forward-looking support and the targeting of hold-harmless support until the third quarter of 2000. See *Federal-State Joint Board on Universal Service*, Nineteenth Order on Reconsideration, FCC 99-396 (rel. Dec. 17, 1999) at paras. 10-11.

³ See *Federal-State Joint Board on Universal Service*, *Forward-Looking Mechanism for High Cost Support for Non-Rural LECs*, Tenth Report and Order, CC Docket Nos. 96-45, 97-160, FCC 99-304 (rel. Nov. 2, 1999) (*Tenth Report and Order*).

⁴ For informational purposes, the spreadsheet also shows support amounts for rural telephone companies in each state. We reiterate that rural support amounts are not affected by the Commission's reform of the universal service support mechanism for non-rural carriers. Reform of the rural carriers' universal service support mechanism is

by-state support amounts previously released by the Common Carrier Bureau (Bureau). On January 20, 2000, the Bureau announced the procedures for releasing support amounts for non-rural carriers under the new high-cost mechanism and released corrected estimated support amounts.⁵ The Bureau emphasized that these support amounts were estimated support amounts based on the line counts used as input values in the Commission's cost model, and would be superseded by estimates based on the line counts reported by non-rural carriers on a quarterly basis.⁶

As discussed in the *Twentieth Reconsideration Order*, by incorporating the reported lines in the non-rural high-cost universal service support mechanism, support will vary based on the number of lines reported to account for a growth or reduction in lines served by a particular carrier.⁷ The aggregate estimated support amount available under the new mechanism changes from approximately \$210 million to \$220 million. The state-by-state hold-harmless support amounts and the state-by-state support amounts for rural carriers are the same as those released in the *Jan. 20 Public Notice* and are based on the Universal Service Administrative Company's (USAC) projections for the first quarter of the year 2000.⁸

For further information regarding this Public Notice, please contact Katie King at (202) 418-7400.

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proceeding on a separate track. The Commission is awaiting a recommendation to be supplied by the Federal-State Joint Board on Universal Service, based on a report from the Joint Board's Rural Task Force, before considering reform of the support mechanism for rural carriers. See *Ninth Report and Order* at para. 11.

⁵ *Common Carrier Bureau Announces Procedures for Releasing High-Cost Support Amounts for Non-Rural Carriers and Revised Model Results*, Public Notice, CC Docket Nos. 96-45, 97-160, DA 00-110 (rel. Jan. 20, 2000) (*Jan. 20 Public Notice*). The support estimates released on January 20, 2000, corrected the support estimates released on November 2, 1999. See *Jan. 20 Public Notice* at 2-3; see also *Common Carrier Bureau Releases State-by-State Universal Service High-Cost Support Amounts for Non-Rural Carriers and Forward-Looking Cost Model Results*, Public Notice, CC Docket Nos. 96-45, 97-160, DA 99-2399 (rel. Nov. 2, 1999) (*Nov. 2 Public Notice*).

⁶ See *Jan. 20 Public Notice* at 2-3.

⁷ See *Twentieth Reconsideration Order*.

⁸ USAC files quarterly projections with the Commission for the high-cost and other universal service programs, which the Bureau then makes available on the Internet (http://www.fcc.gov/ccb/universal_service/quarter.html).